ENERGY SITUATION ANALYSIS REPORT

April 17, 2002

(next scheduled update: April 18, 2002)

Energy Information Administration
US Department of Energy
Washington, DC 20585
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Petroleum *Natural Gas* *Coal* *Electricity*

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Latest Energy Market Developments

(updated April 17, 2002)

Crude oil prices have been rising this week, after last Friday's (April 12) closing price drop of $1.52 per barrel for West Texas Intermediate (WTI) for May delivery. The WTI closing price for May delivery gained $0.18 per barrel yesterday (April 16) and $1.19 per barrel today (April 17), closing at $25.94 per barrel. Oil prices rose on data from the Energy Information Administration of a decline in U.S. crude stocks -- in part due to increased refiner demands -- and a reduction in U.S. crude oil imports from Iraq, Venezuela, and elsewhere.

Oil prices fell sharply late last week over reports that Venezuelan President Hugo Chavez had resigned, but recovered part of the loss on news of Chavez's re-instatement two days later (April 14). Continued tensions in Venezuela and the Middle East, plus tightening market fundamentals, are contributing to the current strength in world oil prices.

Other topics affecting **world oil markets** include:

- Iraq's 30-day "Oil-for-Food" export embargo is now in its second week. While market impact has been minimal, Iraqi Oil Minister Amir Rasheed noted that "the majority of our exports go to the U.S. This takes something like 40 days to arrive at the U.S. coast, so you will not see the impact immediately". In an interview with CNN on April 16, Minister Rasheed suggested that Iraq could extend the ban that started on April 8 beyond a month if Israel failed to withdraw its forces from Palestinian territory. Although Iraq has called on other Islamic states to join their unilateral embargo, no other countries appear ready to do so.
- After significant disruptions in Venezuelan oil supplies to world oil markets last week, operations at state oil company PdVSA appear to be returning to normal while PdVSA managers and government representatives resume negotiations to resolve their differences. Oil production appears likely to return to normal levels within the next few days, while the El Palito, Puerto La Cruz, and Paraguana refineries reportedly are operating normally.
- Venezuelan President Hugo Chavez and OPEC Secretary General Ali Rodriguez (also Venezuelan) each reaffirmed Venezuela's commitment to its OPEC production quota.

- Colombian President Andres Pastrana is meeting with President Bush and Congressional leaders to win support for an aid package that includes $98 million to protect the 240,000 barrels per day Cano Limon-Covenas oil export pipeline from attacks by the FARC and ELN guerrilla forces.

Other recent developments in **U.S. energy markets** include:

- After eight consecutive weeks of increasing (or flat) gasoline prices, the price for regular gasoline fell by 0.9 cents per gallon, to a national average of $1.404 per gallon, on April 15. The decline nationally reflected a somewhat improved inventory situation towards the end of last month and early this month.
- A section of Canada's main natural gas pipeline exploded in a remote section of Manitoba on April 14. It is unclear when the pipeline might reopen. On Monday, April 15, TransCanada reported that 450 million cubic feet (MMcf) per day of natural gas under interruptible contracts was curtailed as a result of the incident. On Tuesday the number of operating pipelines was raised to four and the interruptible volumes were restored. This raised the total volume of gas flowing back to normal at about 5.7 billion cubic feet (Bcf) per day.
- The spot natural gas price at Niagara, Ontario, a key export point to the United States, was reported at $3.45 per MMBtu on Tuesday-down 5 cents per MMBtu from Monday, April 15. Spot prices moved up again briskly on Tuesday, April 16, as unusually warm weather continued in much of the Midcontinent, Midwest, and Northeast, increasing gas-fired generation of electricity to satisfy surging cooling demand.
- Year-to-date rail car loadings of coal and national coal production have fallen by 4.0% and 4.7% as of April 6, respectively, compared to their levels a year ago. Despite the unrest in Venezuela, there has been no curtailment of Venezuelan coal shipments. U.S. imports of Venezulean coal are so small that if disruptions of these coal shipments were to occur, the national impact would be insignificant.
- Electricity prices in some parts of the country increased during the week ending April 15, due to unusually warm temperatures. ISO New England's price increased 52%, from $23.06 per megawatthour on April 14 to $35.08 per megawatthour on April 16. New York's prices increased 27%, from $28.75 per megawatthour on April 14 to $36.48 per megawatthour on April 16.

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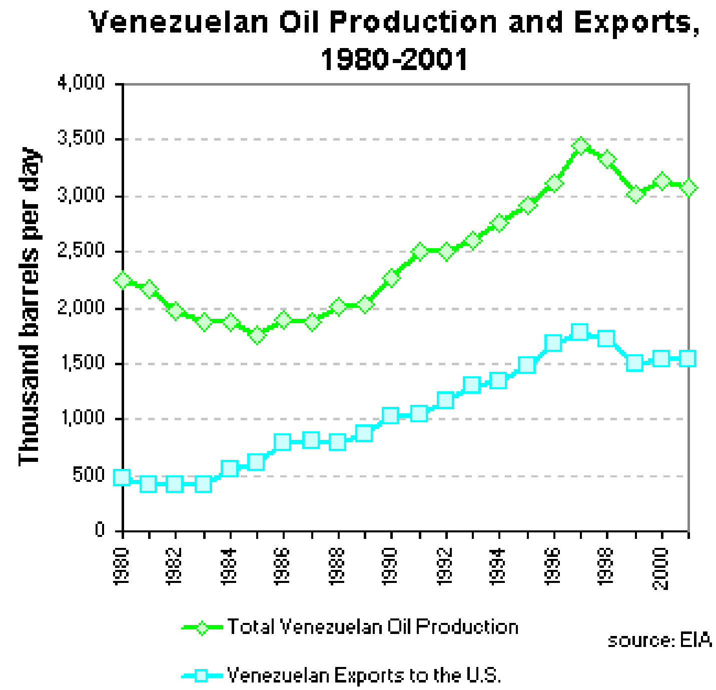
Special Topic -- Basic Facts on Venezuela

(updated April 15, 2002)

Venezuela, OPEC's only member located in the Western Hemisphere, has ranked consistently in the last several years as one of the four top sources of U.S. oil imports (along with Canada, Mexico, and Saudi Arabia). Venezuelan exports to the U.S. peaked in 1997 at about 1.8 million barrels per day. While total US petroleum imports have risen by about 1.5 million barrels per day since 1997, imports from Venezuela have decreased by about 235,000 barrels per day. In 1997, Venezuelan imports accounted for over 17% of total U.S. imports, whereas they accounted for about 13% of that total in 2001.



In 1998, OPEC began implementing a series of output restrictions that ultimately are credited with ending the "oil glut" that saw prices spiral downwards in 1997-1998. Also in 1998, Hugo Chavez was elected president of Venezuela. Venezuela had a history of poor quota compliance prior to and through 1998, but the country (under the Chavez administration) showed markedly increased compliance to OPEC quotas.

Venezuela has an estimated 15-20 million barrels of oil in storage. PdVSA began storing oil in April 2001, to help the country meet its OPEC production quota reductions.

The labor disputes at PdVSA that were reducing Venezuelan oil output began in January, when Chavez replaced the head of PdVSA with a more loyal appointee. In February, five of PdVSA's seven board members were replaced with people considered more loyal to Chavez. The recent full-scale nationwide strike, which began on April 9, was in reaction to those replacements. In what is seen as a conciliatory gesture to PdVSA employees, Chavez accepted the resignations of PdVSA president Gaston Parra and the entire Board of Directors shortly after being reinstated as president on April 14.

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Special Topic -- Basic Facts on Iraq

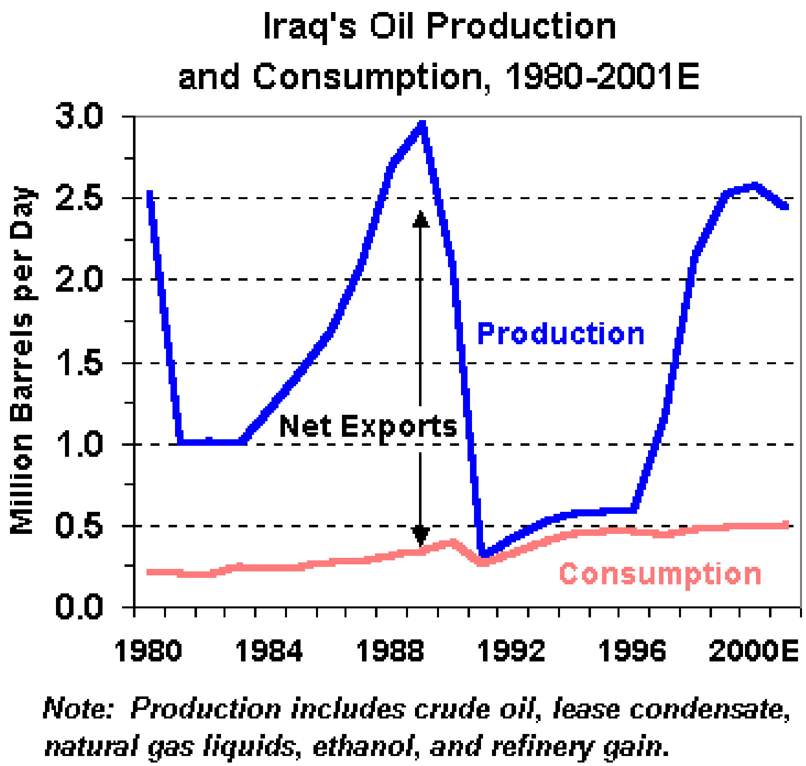
(updated April 9, 2002)

While Iraq's weekly export levels fluctuate, the country remains an important world oil player, with net exports so far this year of about 1.7 million barrels per day. The United States is the largest single market for Iraqi oil, with almost half of Iraqi oil exports bound for the United States in 2001. Imports from Iraq accounted for an average 8% of total U.S. imports in 2001. In 2001, Iraq was the sixth-largest source of U.S. crude oil imports, behind Saudi Arabia, Mexico, Canada, Venezuela, and Nigeria.

The current phase of the "Oil-for-Food" program expires at the end of May 2002. Temporary downturns in Iraqi exports in association with program rollovers are common. Iraqi efforts to generate oil revenues outside the United Nations' "Oil-for-Food" program continue. A U.S./U.K. effort to end Iraq's practice of adding a surcharge on top of the sales price for its oil appears to be having an effect. Iraq had been charging a sales price low enough that its crude oil would still be priced competitively with a small surcharge added. Only the sales price would go into the UN "Oil-for-Food" account, while the surcharge could support the Iraqi government.

In order to prevent this practice, the U.S./U.K. launched an initiative to price Iraqi crude retroactively. The one-month time lag allows the UN to know exactly how much should be paid for any given shipload of Iraqi crude. However, it also requires traders to buy and begin to transport the oil before they know how much the shipment will be worth. This could explain Iraq's reduced exports in recent weeks. In February, retroactive pricing for Asian delivery was dropped, while it remains in effect for European and American delivery.

In addition to the pricing scheme, Iraqi methods of circumventing UN sanctions include secretly piping oil to Syria. Suspicions continue that the long-dormant pipeline between Iraq and Syria now is in use to export Iraqi oil, unobserved by the UN.



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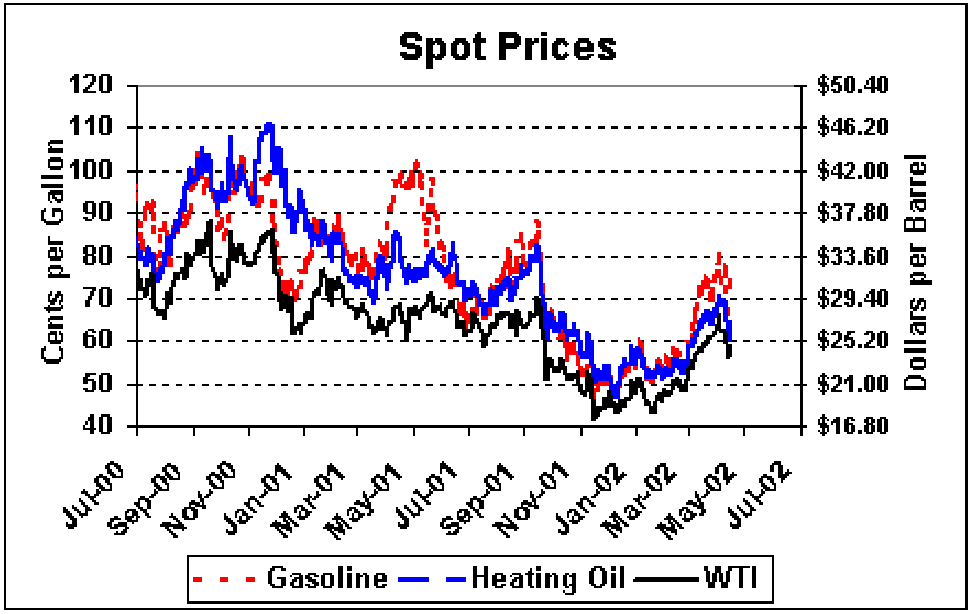
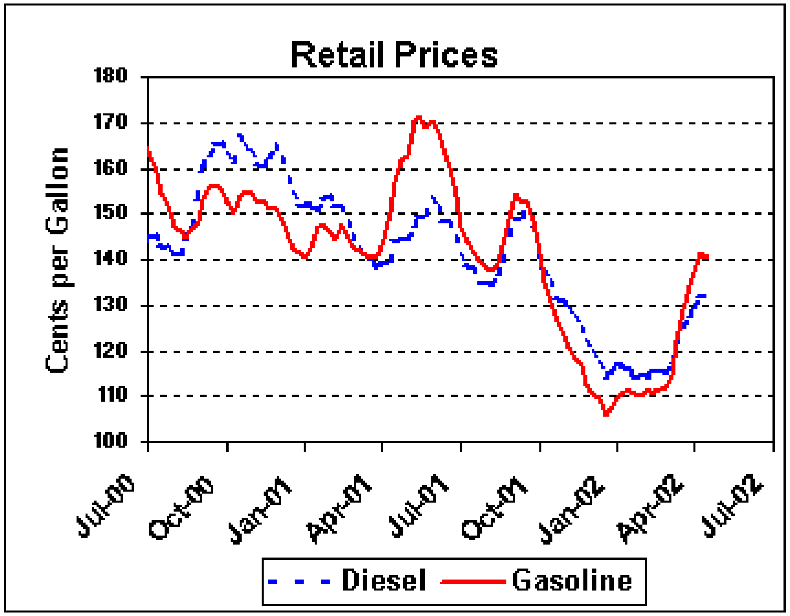
U.S. Petroleum Prices

(updated April 17, 2002)



Source: Closing quote as reported by Reuters News Service



Source: Energy Information Administration (EIA)

Crude Oil and Oil Products Price Table

Date	WTI Crude Oil		Gasoline		Heating Oil		Kerojet	Propane		EIA Weekly Retail	
	Spot	Futures	Spot	Futures	Spot	Futures	Spot	Spot	Spot	US Average	
	Cushing		NYH		NYH		NYH	Mt. Belvieu	Conway	Gasoline	Diesel
	$/bbl	$/bbl	cents per gallon		cents per gallon		c/gal	cents per gallon		cents per gallon	
2/27/2002	$21.40	$21.29	56.55	58.40	55.65	55.39	58.40	33.00	29.94		
2/28/2002	$21.78	$21.74	56.90	58.10	56.75	56.28	59.48	33.50	30.75		
3/1/2002	$22.37	$22.40	59.50	70.60	58.35	58.87	61.08	34.50	31.63		
3/4/2002	$22.55	$22.45	60.00	70.71	58.80	58.45	60.65	34.57	32.26	114.4	117.3
3/5/2002	$23.18	$23.17	62.90	73.10	59.93	60.14	61.09	35.13	32.82		
3/6/2002	$23.32	$23.15	64.05	74.03	59.75	59.93	60.50	35.44	32.57		
3/7/2002	$23.62	$23.71	66.50	76.38	61.53	61.89	62.78	37.38	35.00		
3/8/2002	$23.87	$23.84	67.60	76.81	61.85	61.94	63.20	37.13	34.25		
3/11/2002	$24.36	$24.31	70.34	79.10	62.85	63.45	64.25	38.63	35.13	122.3	121.6
3/12/2002	$24.55	$24.20	72.38	78.54	64.40	63.49	65.60	37.88	35.25		
3/13/2002	$24.14	$24.16	71.63	79.20	64.15	64.82	65.43	37.82	34.63		
3/14/2002	$24.48	$24.56	71.85	79.95	63.73	65.70	65.18	37.88	34.88		
3/15/2002	$24.47	$24.51	72.63	80.90	64.28	64.76	65.73	38.26	35.32		
3/18/2002	$25.03	$25.11	75.28	83.36	66.00	66.48	67.40	38.07	35.75	128.8	125.1
3/19/2002	$25.02	$24.88	74.23	83.16	66.20	66.12	67.30	39.63	37.13		
3/20/2002	$24.92	$24.90	72.30	81.92	65.60	66.57	66.60	39.82	37.57		
3/21/2002	$25.74	$25.61	73.88	82.93	66.80	67.14	67.80	38.69	37.00		
3/22/2002	$25.56	$25.35	70.82	80.08	64.83	65.27	65.45	39.69	38.25		
3/25/2002	$25.69	$24.99	69.55	78.81	63.60	64.16	64.60	39.00	37.75	134.2	128.1
3/26/2002	$25.75	$25.36	70.81	80.08	65.23	65.68	66.26	39.75	38.25		
3/27/2002	$25.79	$25.87	74.55	82.05	66.40	66.72	67.80	40.50	39.63		
3/28/2002	$26.21	$26.31	74.88	82.49	67.05	66.89	67.95	40.63	41.00		
3/29/2002	NA	NA	NA	NA	NA	NA	NA	NA	NA		
4/1/2002	$26.82	$26.88	78.25	84.90	68.40	68.69	68.05	42.38	41.88	137.1	129.5
4/2/2002	$27.75	$27.71	80.15	86.98	70.65	70.95	72.75	44.82	44.63		
4/3/2002	$27.55	$27.56	76.35	84.84	70.40	70.83	72.50	44.38	44.25		
4/4/2002	$26.64	$26.58	74.75	82.33	68.40	68.66	70.50	44.01	44.50		
4/5/2002	$26.21	$26.21	73.70	81.70	68.15	68.22	70.05	43.00	42.19		
4/8/2002	$26.16	$26.54	77.57	84.19	69.57	69.30	71.20	43.82	42.94	141.3	132.3
4/9/2002	$25.45	$25.82	75.13	83.39	66.80	67.80	68.50	41.19	40.13		
4/10/2002	$26.15	$26.13	76.00	83.44	67.35	67.84	68.98	41.00	40.13		
4/11/2002	$24.93	$24.99	72.53	78.87	64.73	64.71	66.50	39.00	37.69		
4/12/2002	$23.51	$23.47	66.48	72.96	60.03	60.05	61.93	38.07	36.63		
4/15/2002	$24.53	$24.57	73.00	78.63	63.07	63.34	65.09	39.50	38.00	140.4	132.0
4/16/2002	$24.92	$24.75	74.73	79.29	64.23	63.78	66.25	39.50	38.00		

Source: Spot and futures closing quotes as reported by Reuters News Service, retail prices reported by EIA

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Latest U.S. Weekly EIA Petroleum Information

(updated April 17, 2002)

As the World Turns

Beginning with Iraq's announcement on April 8 that it would suspend oil exports under the U.N. "Oil-for-Food" program for at least 30 days or until Israel withdrew from the West Bank, it was a lively week for oil markets. A national strike in Venezuela, the fourth largest crude oil import source to the United States, led to a drop in oil production and shipments. With world events unfolding rapidly before our eyes, so are oil markets. Whereas U.S. total commercial petroleum inventories (excluding those in the Strategic Petroleum Reserve) for the week ending April 5 were 58 million barrels more than year-ago levels, just one week later, they are 43 million barrels higher than year-ago levels. This gap should continue to close throughout the rest of this month and into May, when we will likely see a deficit to year-ago levels for the first time since the week ending December 29, 2000! This should occur since while markets are currently tightening, last year the reverse was true, with a 40 million barrel build in April and a 35 million barrel build in May. What's different?

First, crude oil imports are down considerably this year compared to last year. Over the last four weeks, crude oil imports are down 1.1 million barrels per day from the same period last year. While delays in oil exports from Venezuela early this month almost certainly impacted the import data last week to some degree, most of the reason for the crude oil import deficit rests with OPEC's decision to cut their quotas by another 1.5 million barrels per day (effective on January 1), which has clearly reduced imports into the United States. Assuming a 40-45 day lag for oil to be shipped from the Persian Gulf to the United States, EIA was expecting a decline in crude oil imports beginning in mid-February. Over the last nine weeks, beginning with the week ending February 15, crude oil imports into the United States have done just that, averaging 8.3 million barrels per day, down about 0.4 million barrels per day from the preceding nine-week period. While this doesn't sound like too large a decline, it varies greatly from what has occurred in recent years. A similar comparison last year would have seen an increase of 0.4 million barrels per day, while in 2000, we would have seen an increase of 0.5 million barrels per day. So, at a time when imports are usually increasing to supply increased refinery production as the gasoline season begins, this year, crude oil imports are declining. And while crude oil inventories started this period in much better position than in the previous two years, at this rate, it won't be long until crude oil inventories become tight once again, thus putting more pressure on crude oil prices.

Second, petroleum demand seems to be increasing. While the United States is still experiencing deficits to year-ago demand levels, largely due to last year's special circumstances, this gap is also closing. Over the most recent four-week period, demand is now just 1.3 percent below year-ago levels, and generally increasing as the economy continues to rebound from the downturn experienced last year. EIA is expecting total demand to continue to increase compared to year-ago levels throughout the remainder of the year. If this indeed happens, this will also represent a difference to the pattern seen in 2001, and result in added price pressure.

Jet Fuel Demand Nears Year-Ago Levels

An example of the improving situation in petroleum demand is jet fuel. Jet fuel demand continues to rebound from year-ago levels, averaging 1.6 million barrels per day over the last four-week period or less than 4 percent below the comparable period last year. The last time jet fuel demand was this close to a prior-year level was the week ending August 17, 2001, when demand was less than 2 percent below the prior year period. But if jet fuel demand continues to close the gap from the effects of the September 11 terrorists' attacks, it may act as a barometer for future growth in petroleum product demand as the U.S. economy continues to rebound from its recent downturn.

Are Gasoline Prices Declining?

After eight consecutive weeks of increasing (or flat) prices, the price for regular gasoline fell by 0.9 cent per gallon to a national average of $1.404 per gallon on April 15. However, this was solely due to a rather large 4.4 cents per gallon decrease in the Midwest. Every other region of the country saw prices continue to increase, albeit by relatively small amounts (with the West Coast only seeing an increase of 0.1 cent per gallon). The decline nationally, in some part, reflected an improving inventory situation towards the end of last month and early this month. However, with gasoline inventories declining last week and the large amount of uncertainty that currently exists in global crude oil markets, it is an open question as to the very short-term direction of gasoline prices. A brief respite from upward movements would seem plausible, but if the anticipated crude oil and product inventory pattern develops, further increases should be expected as the peak gasoline season nears. For further information, see the Summer Motor Gasoline Outlook, released on April 8, which predicts that gasoline prices are likely to rise further, although they are expected at this time to remain below levels seen the last two years. However, with the season just beginning it is difficult to know how events will unfold this summer. Last year, after rising in the spring and then falling in the middle of summer, gasoline prices rose again towards the end of summer. Suffice it to say that the consumers who experienced declining gasoline prices in recent days should not let out too large a sigh of relief yet.

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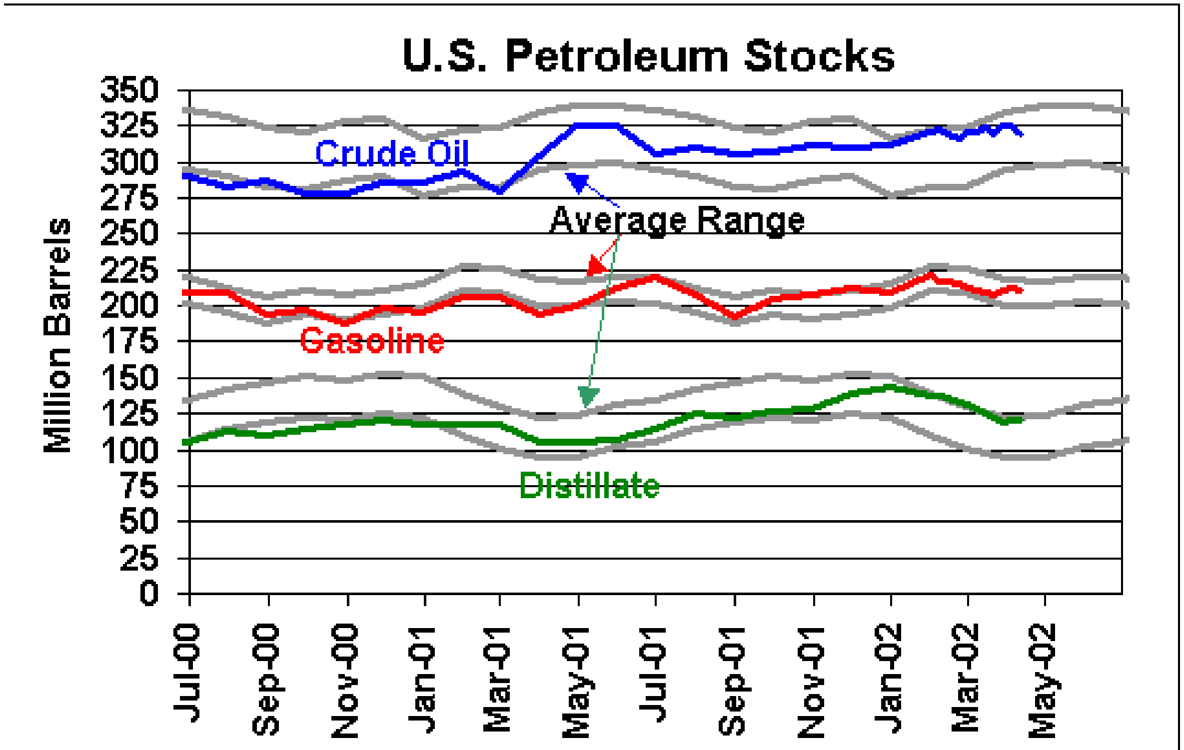
U.S. Petroleum Supply

(Thousand Barrels per Day)	Four Weeks Ending 4/12/2002	4/12/2001	vs. Year Ago Diff.	% Diff.
Refinery Activity				
Crude Oil Input	14,821	14,994	-173	-1.2%
Operable Capacity	16,800	16,642	158	0.9%
Operable Capacity Utilization (%)	89.2%	91.5%	-2.3%	
Production				
Motor Gasoline	8,255	8,153	102	1.2%
Jet Fuel	1,519	1,526	-7	-0.5%
Distillate Fuel Oil	3,497	3,551	-54	-1.5%
Imports				
Crude Oil (incl. SPR)	8,525	9,612	-1,087	-11.3%
Motor Gasoline	795	689	106	15.3%
Jet Fuel	137	148	-11	-7.5%
Distillate Fuel Oil	209	327	-118	-36.1%
Total	10,896	12,087	-1,191	-9.9%
Exports				
Crude Oil	33	24	9	35.1%
Products	917	924	-7	-0.7%
Total	950	948	2	0.2%
Products Supplied				
Motor Gasoline	8,678	8,505	173	2.0%
Jet Fuel	1,623	1,686	-63	-3.7%
Distillate Fuel Oil	3,749	4,001	-252	-6.3%

Total	19,509	19,774	-265	-1.3%

Stocks (Million Barrels)	4/12/2002	4/12/2001	vs. Year Ago Diff.	% Diff.
Crude Oil (excl. SPR)	319.4	312.1	7.3	2.3%
Motor Gasoline	211.1	196.2	14.9	7.6%
Jet Fuel	39.8	40.0	-0.2	-0.5%
Distillate Fuel Oil	120.1	105.0	15.1	14.4%
Total (excl. SPR)	992.3	949.6	42.7	4.5%



Source: Energy Information Administration, Weekly Petroleum Status Report, Petroleum Supply Monthly.

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World Oil Market Highlights

(updated April 16, 2002)

According to second quarter 2002 estimates, the world holds about 7 million barrels per day of excess oil production capacity outside of Iraq, over 90% of which lies in OPEC countries. As of April 16, 2002, the U.S. Strategic Petroleum Reserve (SPR) contained 563.6 million barrels of oil. The SPR has a maximum drawdown capability of 4.18 million barrels per day for 90 days, with oil beginning to arrive in the marketplace 15 days after a presidential decision to initiate a drawdown.

Major Sources of U.S. Petroleum Imports, 2001* (all volumes in million barrels per day)			
	Total Oil Imports	**Crude Oil Imports**	**Petroleum Product Imports**
Canada	1.79	1.32	0.47
Saudi Arabia	1.66	1.61	0.05
Venezuela	1.54	1.28	0.26
Mexico	1.42	1.38	0.04
Nigeria	0.86	0.81	0.04
Iraq	0.78	0.78	0.00
Norway	0.33	0.27	0.06
Angola	0.32	0.31	0.07
United Kingdom	0.31	0.23	0.08
Total Imports	11.62	9.15	2.47

** Table includes all countries from which the U.S. imported more than 300,000 barrels per day in 2001.*

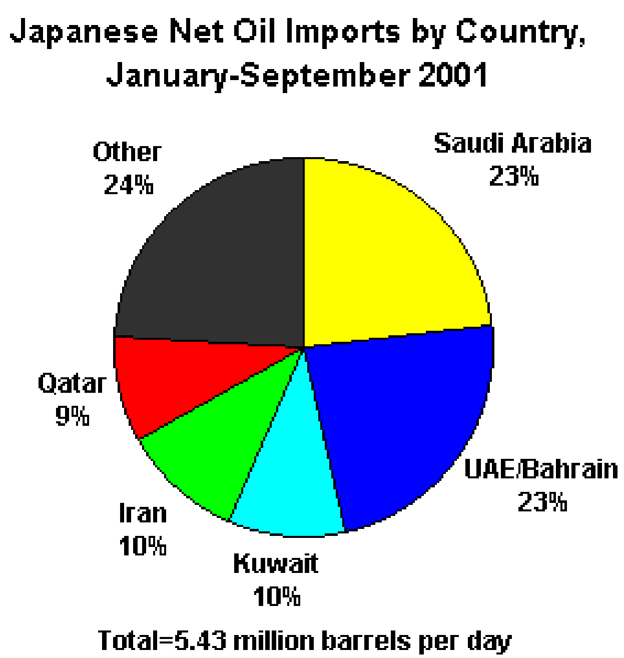
Top World Oil Net Exporters, 2001*		
	Country	**Net Exports (million barrels per day)**
1)	Saudi Arabia	7.38
2)	Russia	4.76
3)	Norway	3.22
4)	Iran	2.74
5)	Venezuela	2.60
6)	United Arab Emirates	2.09

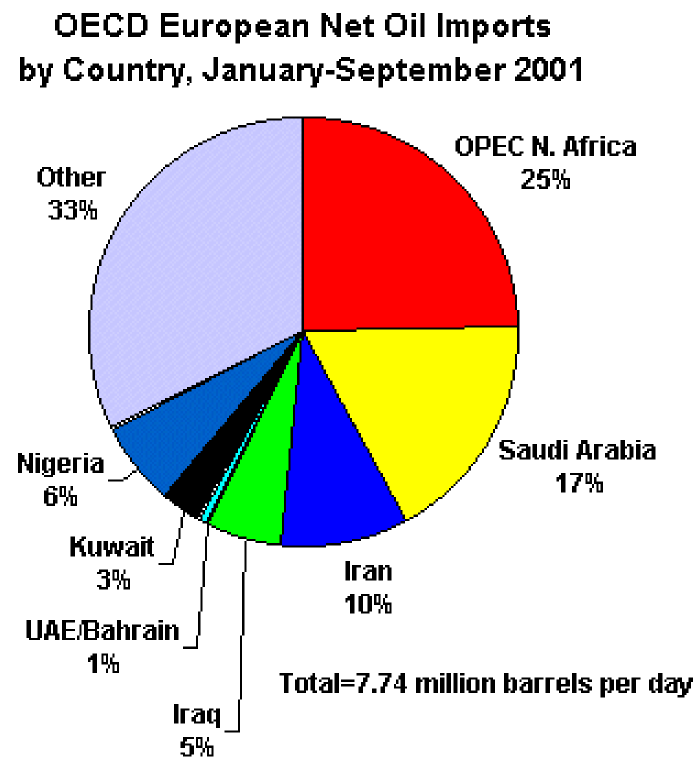
7)	Nigeria	2.00
8)	Iraq	2.00
9)	Kuwait	1.80
10)	Mexico	1.65
11)	Libya	1.24
12)	Algeria	1.24

**Table includes all countries with net exports exceeding 1 million barrels per day in 2001.*

During 2001, about 48% of U.S. oil imports came from the Western Hemisphere (19% from South America, 15% from Mexico, 14% from Canada), while 30% came from the Persian Gulf region (18% from Saudi Arabia, 9% from Iraq, 3% from Kuwait).

In general, OECD Europe depends far more heavily on the Persian Gulf and North Africa for oil imports than the United States. During the first nine months of 2001, about 36% of OECD Europe's net oil imports came from the Persian Gulf (mainly Saudi Arabia, Iran, Iraq, and Kuwait), around one-third from Africa (mainly Libya, Algeria, and Nigeria), and much of the remainder from Russia. Japan receives over three-quarters of its oil supplies from the Persian Gulf (mainly the UAE, Saudi Arabia, Kuwait, Iran, and Qatar) with the remainder coming from Indonesia, China, and other sources.





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Latest U.S. Weekly Natural Gas Information

(updated April 17, 2002)

Industry/Market Developments

TransCanada Pipelines Mainline Explodes in Manitoba: A section of Canada's main natural gas pipeline exploded in a remote section of the Province of Manitoba late Sunday night (4/14/02). There were no injuries reported. The explosion near the western Manitoba town of Brookdale forced TransCanada to shut down three of six adjacent pipeline sections on its mainline, which transports gas produced in Alberta to customers in eastern Canada and the Northeastern United States. At this time, the cause of the explosion has not been determined. On Monday, April 15, TransCanada reported that 450 million cubic feet (MMcf) per day of gas under interruptible contracts was curtailed as a result of the incident. On Tuesday the number of operating pipelines was raised to four and the interruptible volumes were restored. This raised the total volume of gas flowing back to normal at about 5.7 billion cubic feet (Bcf) per day. The spot gas price at Niagara, Ontario, a key export point to the United States, was reported at $3.45 per MMBtu on Tuesday-down 5 cents per MMBtu from Monday, April 15.

Natural Gas Storage

Net withdrawals from storage for the week ended Friday, April 5, were 9 Bcf, according to the American Gas Association (AGA), which is a marked contrast to the average net injections of 24 Bcf in the preceding 5 years. This marks only the third time in the 9-year history of the AGA storage survey that the net change in working gas stocks amounted to a net withdrawal for the report week.

All Volumes in Bcf	Current Stocks (Fri,4/05)	Estimated Prior 5-Year (1997-2001) Average	Percent Difference from 5 Year Average	Net Change from Last Week	One-Week Prior Stocks (Fri, 3/29)
East Region	777	570	36.3%	-13	790
West Region	244	176	38.3%	6	238
Producing Region	547	370	47.7%	-2	549
Total Lower 48	1,568	1,117	40.4%	-9	1,577

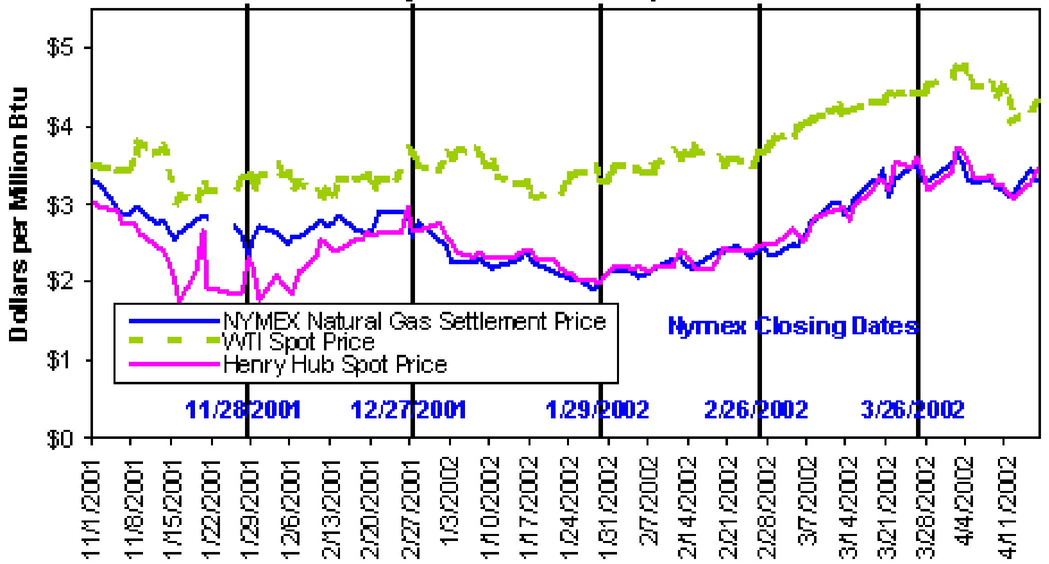
Note: Net change data are estimates published by AGA on Wednesday of each week. All stock-level figures are EIA estimates based on EIA monthly survey data and weekly AGA net-change estimates. Column sums may differ from Totals because of independent rounding.

Prices:

Spot prices moved up again briskly on Tuesday, April 16, as unusually warm weather continued in much of the Midcontinent, Midwest, and Northeast, increasing gas-fired generation of electricity to satisfy surging cooling demand. Contrary to Monday's trading, the Rockies region also participated in the upward swing, with average increases of over 50 cents per MMBtu leading the nation, as traders anticipated relief from the various transportation constraints in the region. Elsewhere, price increases mostly ranged from a dime to 20 cents per MMBtu. At the Henry Hub, the average price gained $0.16 per MMBtu to $3.43 per MMBtu. In the Northeast, where high temperature records for the day were being set at numerous locations, price increases averaged 14 cents per MMBtu, with spot gas for New York citygates averaging $3.88 per MMBtu.

On the NYMEX, futures prices reversed direction, with the near-month contract (May delivery) dropping nearly 14 cents per MMBtu to settle at $3.294. Price decreases were 10 cents per MMBtu or greater for all contracts for delivery in future months through February 2003. A major influence in Tuesday's results seems to have been the release of a summer weather forecast calling for generally cooler-than-normal temperatures, issued by an influential commercial service.

NYMEX Natural Gas Futures Near-Month Contract Settlement Price, West Texas Intermediate Crude Oil Spot Price, and Henry Hub Natural Gas Spot Price



Note: The West Texas Intermediate crude oil price, in dollars per barrel, is converted to $/MMBtu using a conversion factor of 5.80 MMBtu per barrel. The dates marked by vertical lines are the NYMEX near-month contract settlement dates.

Source: *NGI's Daily Gas Price Index* (http://intelligencepress.com)

All prices in $ per MMBtu	Southern California Bdr. Average	PG&E Citygate	Henry Hub	New York Citygate	Chicago Citygates	NYMEX futures contract- May delivery	NYMEX futures contract- June delivery
3/20/2002	3.26	3.38	3.30	3.72	3.38	3.149	3.186
3/21/2002	3.18	3.27	3.19	3.92	3.30	3.466	3.496
3/22/2002	3.53	3.60	3.54	3.99	3.69	3.356	3.386
3/25/2002	3.47	3.60	3.45	3.81	3.55	3.462	3.484
3/26/2002	3.57	3.67	3.59	3.89	3.65	3.374	3.394
3/27/2002	3.31	3.38	3.38	3.67	3.39	3.290	3.315
3/28/2002	3.14	3.14	3.19	3.65	3.22	3.283	3.309
3/29/2002	3.14	3.14	3.19	3.65	3.22	closed	closed
4/1/2002	3.32	3.23	3.42	3.80	3.46	3.531	3.549
4/2/2002	3.59	3.54	3.72	4.12	3.76	3.654	3.674
4/3/2002	3.60	3.54	3.68	4.07	3.69	3.506	3.528
4/4/2002	3.50	3.47	3.56	4.08	3.61	3.333	3.371
4/5/2002	3.14	3.17	3.31	3.80	3.34	3.275	3.313
4/8/2002	3.26	3.23	3.36	3.72	3.40	3.327	3.365
4/9/2002	3.17	3.16	3.25	3.59	3.28	3.201	3.240
4/10/2002	3.21	3.15	3.25	3.59	3.28	3.184	3.223
4/11/2002	3.09	3.06	3.14	3.56	3.17	3.103	3.141
4/12/2002	2.67	2.68	3.08	3.35	3.09	3.125	3.163
4/15/2002	3.17	3.18	3.27	3.74	3.30	3.430	3.465
4/16/2002	3.35	3.35	3.43	3.88	3.44	3.294	3.329

Source: NGI's Daily Gas Price Index (http://intelligencepress.com)

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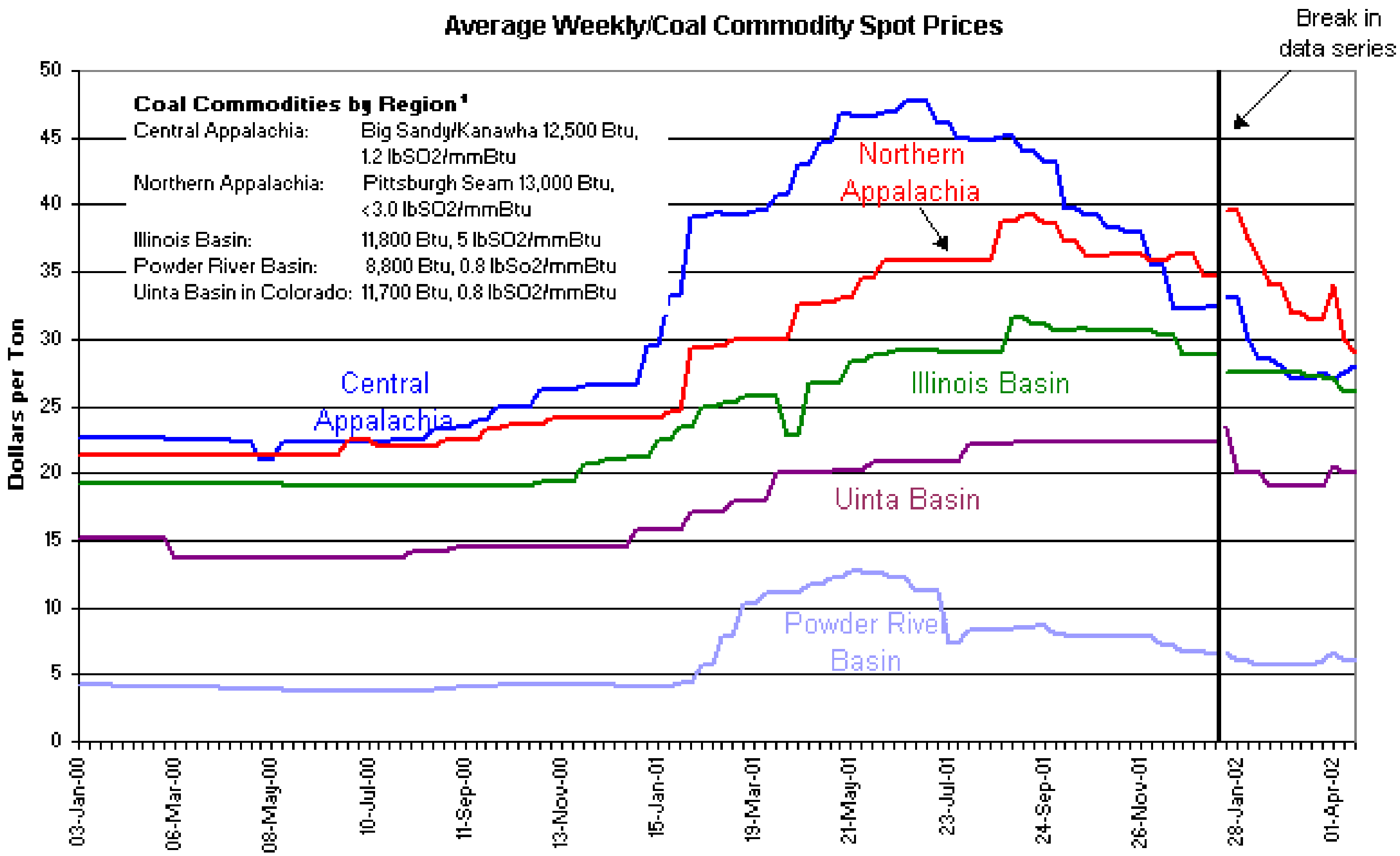
Latest U.S. Coal Information

(updated April 17, 2002)

U.S. coal supplies are more than adequate for anticipated needs. For the week ending April 6, EIA estimates U.S. coal production at 19.8 million short tons (Mmst). This was 6% lower than in the comparable week in 2001. Year-to-date as of April 6, rail car loadings of coal and national coal production have fallen by 4.0% and 4.7%, respectively, compared to their levels a year ago. Year-to-date, western U.S. coal production is less than 1% below the levels of a year ago, whereas eastern U.S. coal production is estimated to be 9.2% below last year's level. The estimated production for the first quarter of 2002 is 268.8 Mmst. Subdued production at this time is attuned to higher-than-usual coal stockpiles at consuming facilities, coinciding with the spring period of low seasonal demand.

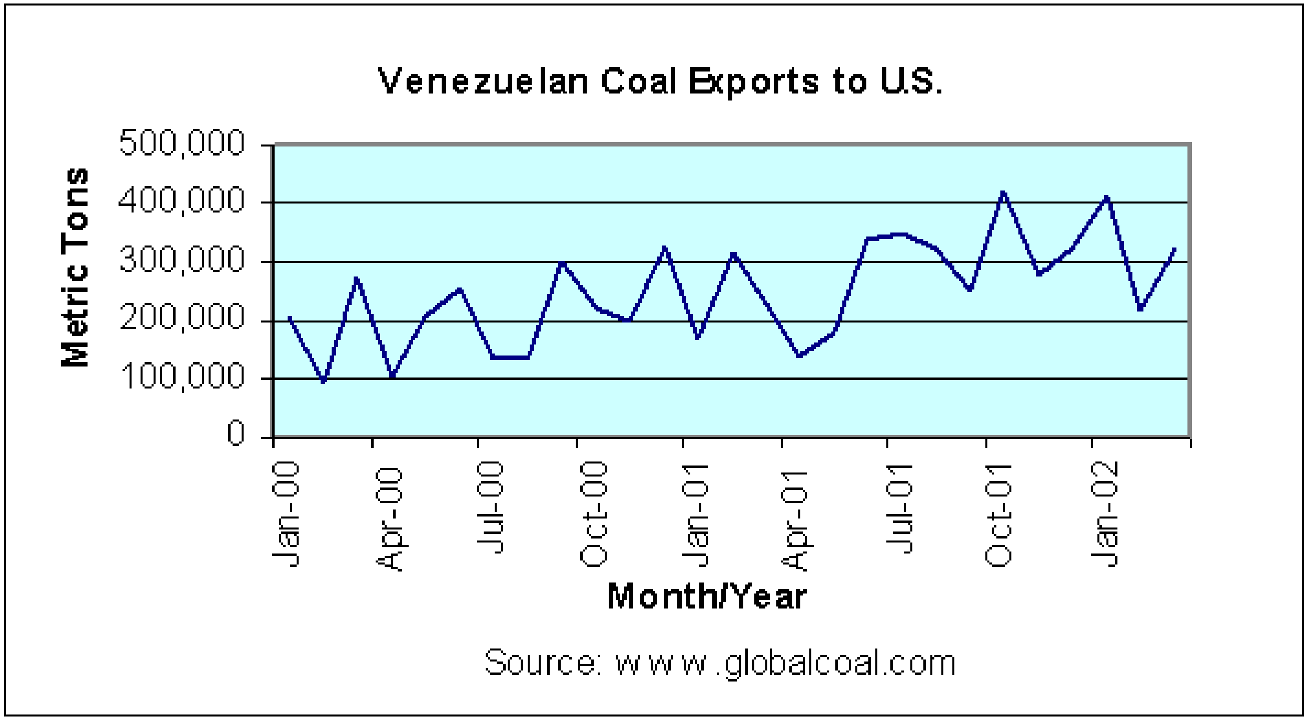
While crude oil prices fluctuate, mostly upward, in recent weeks, U.S. coal prices have held relatively steady. Although price criteria changed since last summer, Illinois, Uinta, and Powder River Basin coals are holding to the level-to-slowly-declining price profiles established with the 2001 spot data. This year, Central and Northern Appalachian coal prices have fallen significantly (by about $7.00 per ton) since January 21. The latest prices are nearing the range for prices in the summer of 2000, prior to escalation. Spot prices currently indexed are about 20% and 40% above summer 2000, respectively, for Central and Northern Appalachia, and 30% to 35% above summer 2000 for the Illinois, Uinta, and Powder River Basins. In the latest week, coal prices have mostly moved down by small amounts. Uncertainty over the course of events in the Middle East continues to add a security margin to energy prices. Although NYMEX trade volumes are nominal and erratic, the trend since mid-November 2001 has been toward lower prices, with a recent leveling of prices since early February 2002.



Source: with permission, selected from listed prices in Platts Coal Outlook, "Weekly Price Survey"

¹Prior to January 14, 2002 EIA averaged 12-month "forward" spot prices for several coal specifications; after that date, the values shown are based on a single specification in each region for delivery by the end of the next quarter.

Although the United States can produce all the coal needed for domestic needs, it imported 12.5 million metric short tons (Mmst) in 2000, about 1% of consumption. In 2000, 2.0 Mmst of coal was imported from Venezuela, mostly to Atlantic and Gulf Coast tidewater power plants. If disruptions of these coal shipments were to occur, the national impact would be insignificant. In any case, unlike the recent strikes against Venezuelan oil exports, we have seen no curtailment of Venezuelan coal shipments.



A March 28 ruling by U.S. District Judge James Robertson, of the federal district court in Washington, DC, would restrict underground coal mining under national parks, inhabited residences, and other protected areas. The court ruled in favor of the Citizens Coal Council, an environmental advocacy group, in its suit challenging the way the Department of the Interior has allowed permitting of underground coal mining that may cause ground subsidence in specified protected areas. The effect of this ruling would negate permitting practices that have been followed, but challenged, almost since the initiation of the Surface Mining Control and Reclamation Act of 1977. The National Mining Association, which along with Gale Norton, Secretary of the Interior, is one of the Defendants, claims that the ruling ignores long-standing interpretation of the 1977 statute and would devastate eastern U.S. coal production. It pledges to appeal the ruling.

In the long term, however, EIA expects domestic coal supplies to be more than adequate for projected consumption. Most coal is still sold under multi-year contracts, and average prices for all coal supply contracts, incorporating spot and long-term, are projected to stabilize at well below current spot prices. EIA's projections of average coal prices decline slightly in inflation-adjusted dollars because nominal prices rise more slowly than the rate of inflation between 2000 and 2020.

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Latest U.S. Electricity Information

(updated April 17, 2002)

Selected Wholesale Electricity Prices (April 9 - April 16): Wholesale electricity prices have increased in the Northeast as above average temperatures have increased electricity demand. ISO New England's price increased 52%, from $23.06 per megawatthour on April 14 to $35.08 per megawatthour on April 16. New York's prices increased 27%, from $28.75 per megawatthour on April 14 to $36.48 per megawatthour on April 16.

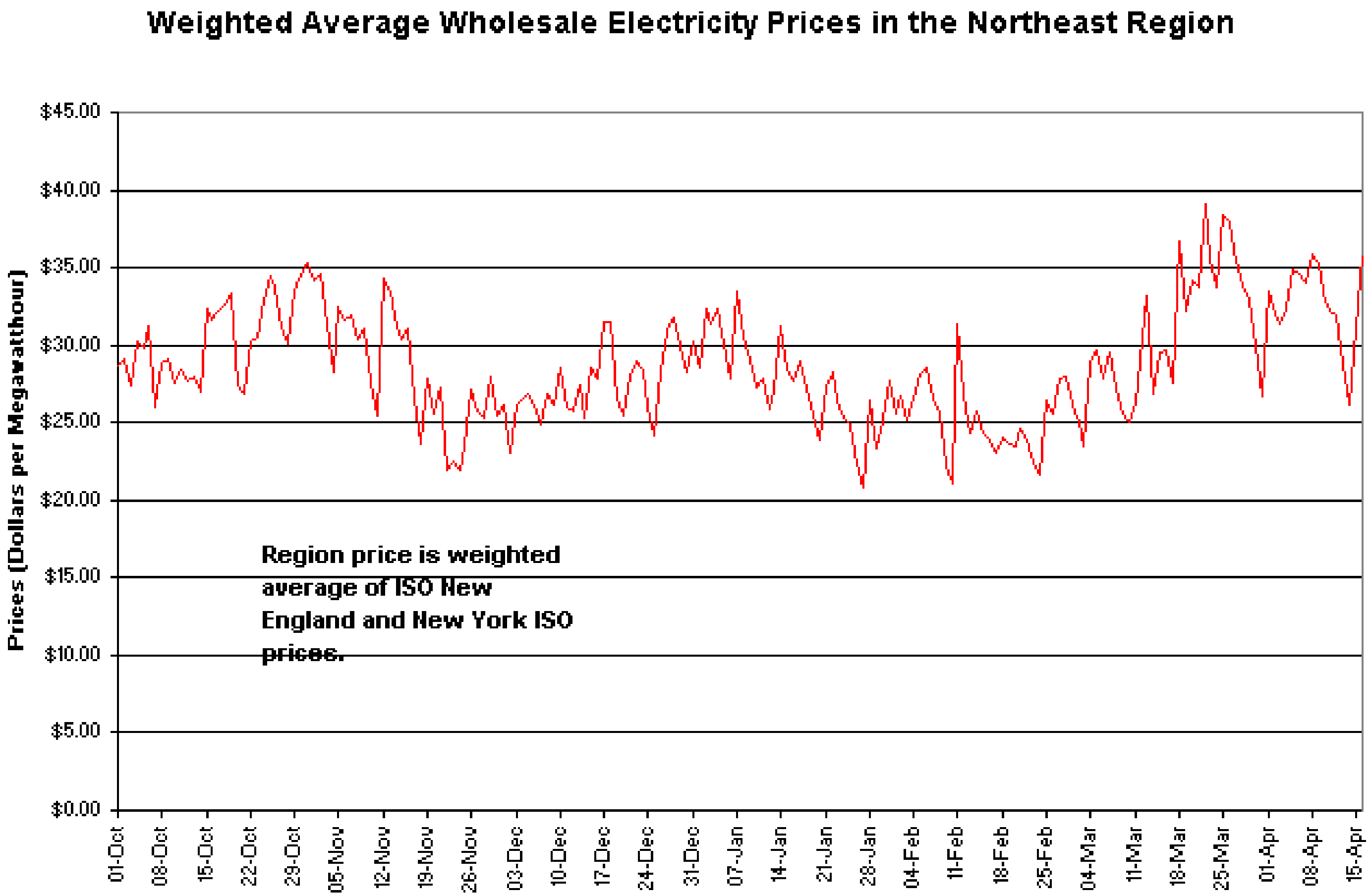
Weighted Average Wholesale Electricity Prices at Major Trading Centers (Dollars per megawatthour)

Trading Centers	DATES							Price Range		
	4/10/02	4/11/02	4/12/02	4/13/02	4/14/02	4/15/02	4/16/02	Max	Min	Average
ISO New England	30.33	30.31	30.69	28.96	23.06	28.40	35.08	35.08	23.06	29.74
New York ISO	34.64	33.45	32.98	28.81	28.75	33.09	36.48	36.48	28.75	32.78

Source: ISO New England (http://www.iso-ne.com), and New York ISO (http://www.nyiso.com) web pages.

ISO New England Average price of electricity traded at the ISO New England.
New York ISO: Average price of electricity traded at the New York ISO.

COB: Weighted average price of electricity traded at the California-Oregon and Nevada-Oregon Borders.
Palo Verde: Weighted average price of electricity traded at Palo Verde and the West Wing, Arizona.
Mid-Columbia: Weighted average price of electricity traded at Mid-Columbia.
Mead/Market Place: Weighted average price of electricity traded at Mead Market Place, McCullough and Eldorado.
Four Corners: Weighted average price of electricity traded at Four Corners, Shiprock, and San Juan, New Mexico.
NP-15: Weighted average price of electricity traded at NP-15.
SP-15: Weighted average price of electricity traded at SP-15.
PJM-West: Weighted average price of electricity traded at PJM Western hub.
Nepool: Average price of electricity traded at the New England ISO, formerly Nepool.
New York ISO: Average price of electricity traded at the New York ISO.
Cinergy: Weighted average price of electricity traded into the Cinergy control area.



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